

Connecticut Industry

A Plea For Understanding

It is my belief that both industry and commerce are, in the main, working wholeheartedly with President Roosevelt and General Johnson to shorten hours, increase employment and raise wages, that purchasing power may keep pace with mass production and rising prices. But in the rush to make effective this greatest of all efforts ever attempted by any nation, to lift its institutions and millions of idle and near bankrupt consumers "by the bootstraps" out of the worst economic bog in modern history, we must expect to deal with the triple obstacles of misunderstanding, misguided leadership and gross selfishness.

Paradoxical as it appears, the same natural desire for ultimate gain which impels employers and employees alike to seek the return of profits and fat pay envelopes, often becomes a boomerang when stimulated by grab-bag tactics on the one hand or the judgment of pseudo labor leadership on the other. A case in point is the employer who now hopes for an easy ride to quick profits with a Blue Eagle "ticket," which he has purchased with empty promises. Other glaring examples are striking employees who walk out on their jobs without justifiable reason because they have been misinformed on the rules of the present recovery game, either by labor leaders or confirmed agitators.

Both groups are unthinkingly injuring their own cause and that of the Nation by masquerading under the banner of patriotic compliance. To speed the day of economic recovery, these groups must forego the fancied advantages of the moment for the greater rewards that will come through tolerance, cooperation and understanding.

E. KENT HUBBARD

September, 1933

Uniform Accounting Problems of
the Textile Industry

By Henry Knust

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NIRA Notes

T. A. D. JONES & CO., INC., OFFERS A NEW SERVICE TO INDUSTRY ➤

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T. A. D. JONES & CO., INC. - 205 CHURCH ST., NEW HAVEN

Connecticut Industry

for September, 1933

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L. M. Bingham, Editor

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Manufacturers' Association of Connecticut, Inc.

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The Cost Campaign

Unintelligent competition caused through ignorance of costs prompted the organization in 1927 of the Industrial Cost Accounting Committee of the Association. Working in cooperation with accountants in the Hartford Chapter of the National Association of Cost Accountants during the years 1927 through 1929, this committee did much to promote greater cost consciousness among those responsible for the management of Connecticut industrial establishments. During these years, the committee checked the programs prepared by accountants and promoted the attendance of manufacturers at the regular Hartford Chapter meetings, with the exception of one or two each year which, because of their technical nature, were reserved for accountants only. But, toward the latter part of 1929 (before October, of course), when money and credit flowed easily and it seemed that a new kind of prosperity had parked on the Nation's doorstep for good, executive interest in these meetings waned to a point where the checking of programs was discontinued, although notices of accounting meetings still continued to be addressed to manufacturers at Association headquarters.

However, when it became evident, after the passage of the National Recovery Act, that cost accounting must soon don a more uniform cloak if it was eventually to become the adequate defense of industry against the manufacturer who persistently sagged the market by selling goods belows cost, President Hubbard again called the long idle cost committee into action. He gave it the job of formulating a program to meet the present need.

Its active members, Chairman C. B. Cook, vice-president of Royal Typewriter Company; John T. Chidsey, chairman of the board, Veeder-Root Incorporated and S. S. Gwillim, secretary of the Trumbull Electric Manufacturing Company, met with the presidents-elect and selected delegates of the Hartford, New Haven and Bridgeport Chapters N.A.C.A. on June 23, and after a lengthy discussion, appointed a Co-ordinating Committee to set up a program for a series of cost meetings which would deal with the factors involved in obtaining reasonable uniformity in cost accounting procedure under all industrial codes being presented to NRA. Members of this committee included the preidents-elect of the Hartford, New Haven and Bridgeport Chapters, N.A.C.A., or respectively Henry Knust, Paul S. Gates and T. N.

Wakeman, and C. B. Cook, ex-officio, John T. Chidsey of the Association's Committee and L. M. Bingham of the Association staff. Because of the necessity of providing a program that would be applicable to all industrial divisions, and the desirability of a uniform presentation at each meeting, the Co-ordinating Committee secured through President Hubbard, the services of John V. Montague, assistant treasurer and comptroller of Scovill Manufacturing Company, to give the principal address on "Accounting and the Industrial Recovery Act."*

Meetings were scheduled for the Hartford district at the Elm Tree Inn, Farmington, July 18; for the New Haven district at the Y. W. C. A. on July 25 and for the Bridgeport district at the Hotel Barnum on July 27. As aids to a complete understanding of the background and purpose of the meetings, the Committee agreed that a member of the Association's staff should give a brief talk on "How the Association is Functioning to Aid Manufacturers under the National Recovery Act" and that the president or a selected member of each Chapter should outline the "Cooperative Plan of the Meeting," preceding Mr. Montague's talk.

Came the meeting and 427 manufacturers and accountants from 250 plants and 51 towns to learn about the application of uniform methods to cost accounting, as interpreted by Mr. Montague. His broad experience as an industrial executive and accountant enabled him to outline in simple language the fundamentals of cost accounting which can be applied in any specific industry after making further study as to the classification of accounts which best portray and evaluate the history of performance in that particular trade division. Beginning with a clear statement of the purposes of NIRA and the necessity for exercising great care in selecting the highest type of trade association executives to administer codes of fair practice, Mr. Montague stressed, in the main, the following points: lack of uniformity in manufacturing and accounting; plant investment; depreciation; the elements of cost; standard costs; cost systems; setting standards and norms, and the proper functions of the accountant. That his effort was thorough and helpful to the majority of those in attendance, was attested by the applause and comment at the close of each meeting.

Messrs. Henry Knust, Paul S. Gates and T. N. Wakeman gave brief introductory talks and presided at the respective meetings of their Chapters. C. B.

Cook, John T. Chidsey and W. A. Dower outlined respectively at the Hartford meeting the history and purpose of the cooperative cost plan of the Association in relation to codes of fair practice. At the New Haven meeting Mr. Cook and L. M. Bingham spoke on the subject mentioned previously, and at Bridgeport these topics were discussed by Messrs. Chidsey and Bingham.

Because of the noticeable absence of textile manufacturers at the three general meetings, an offer was made to organize one or more special meetings for the benefit of the entire textile group or any division thereof. The response to one invitation resulted in a meeting of the Connecticut Woolen and Worsted Manufacturers' Association on August 10 at the Hartford Club.

F. R. Appelt, president of that group and president of the Warrenton Woolen Company, presided at the meeting while Henry Knust gave the principal talk, published elsewhere in this issue. Mr. John T. Chidsey also gave a brief talk. Mr. Walter Musgrave, Hartford partner in the accounting firm of Touche Niven & Company, who attended the meeting at the special request of Mr. Knust, assisted in answering questions during the discussion forum. Because those in attendance for the most part were officials of woolen manufacturing establishments it was possible to be more specific both in the talk and the forum discussion. Although there were only 24 present from 15 companies, there was considerable interest shown during the forum discussion which will probably result in an eventual set-up of a uniform cost sheet for the wool industry.

As the result of one of the invitations previously sent out to the textile group, another textile meeting is being planned, to be held either during the last week of September or the first week of October at some central point in the eastern part of the state. The principal talk, now being prepared by Walter Musgrave, textile cost expert, will treat extensively on subjects as follows: policies involved, principles of cost accounting, methods employed, tie-up and control, and use of specifications or style costs with selling price.

In addition to the meetings already held and being planned, the Association's cost accounting service includes answering questions pertaining to the phraseology of cost clauses in codes as well as others which are not so specific as to require a special study by an accountant. Finally upon request and due notice, the Association will also select a qualified accountant to consult with any trade group who desire to iron out cost problems pertaining to a single industry.

* Mr. Montague's talk will be distributed to Association members in mimeographed form since it was too lengthy for publication in *Connecticut Industry*.

NIRA Notes

During the past month there have been accumulated in this office 66 codes of fair practice, and a limited number of copies marked below with an asterisk are available for distribution among member companies. All other file copy codes are available for inspection and study. Names of codes are as follows: *Small Arms and Ammunition Industry, Asbestos Industry (Brake Lining), Auto Industry, *Automotive Parts Manufacturing Industry, Bedding Industry, *Auger Bit Industry, Boiler Manufacturers and Affiliated Industries *Bolt Clipper Industry, Book Manufacturing Industry, Brick (Structural Clay Products) Industry, *Cap and Closure Industry, *Chain Industry, Chemical Industry, *Comfortable Industry, Construction Industry, *Corset and Brassiere Industry, Cotton Textile Industry, *Cutlery Industry, Electric Light and Power Industry, *Electrical Manufacturing Industry, *Fishing Tackle Industry, Retail Food and Grocery Industry, *Non-Ferrous Foundry Industry, Garter, Suspender and Belt Manufacturing Industry, Gold Leaf and Allied Industries, *Hatters' Fur Cutting Industry, *Ice Industry, Logging and Lumber Industry, Textile Machinery Manufacturing Industry, *Marking Devices Industry, *Fabricated Metal Products Industry, Motor or Horse-Drawn Vehicle Carriers, *Vulcanized Vegetable Oil Industry, *Oil Burner Industry, *Painting Industry, *Paint, Varnish and Lacquer Industry, *Printing Industry, *Printing Equipment Industry, Rayon Weaving Industry, *Refractories Industry, *Rubber Sundries Manufacturing Division, *Shipbuilding and Ship Repairing Industry, *Silverware Manufacturing Industry, *Spring Industry, *Steel Industry, Crushed Stone, Sand and Gravel, and Slag Industries, Telephone Companies, Textile Mill Accessories Industry, *Toilet Articles and Toilet Preparations Industry, *Toy Industry, *Valves and Fittings Industry, Wire Cloth Industry, *Wool Textile Industry, Office Equipment Industry, Drop Forging Industry, Jewelry Industry, *Machinery and Allied Products Industry, Gas Utility, Natural Gas, Retail Drug, Transit, Oil, Lace, Fly Screen and Coat and Suit Industry.

GENERAL DEVELOPMENTS. The developments in general in the NRA situation have been most confusing even to the man who religiously follows the news in the daily press. Although prior to August 1, industrial executives were spending much of their time attending meetings in attempts to shape acceptable codes of fair trade practice, yet that time was insignificant compared to that consumed in clarifying troublesome questions pertaining to the

blanket code or President's Reemployment Agreement. Even interpretations which were issued July 29 to August 7 were not generally understood. Along with the development of greater understanding brought about by group meetings, telephone conversations, official NRA interpretations and Association guidance came fascinating, conflicting and patriotic appeals out of Washington planned to stir the emotions and secure the cooperation of every employer, employee and consumer. Certain intimations made early in the campaign by NRA officials have since been recognized as inept and productive of more opposition than cooperation. Patient salesmanship, coupled with a higher order of diplomacy, is now the order of the day, and is accomplishing far better results.

The principal difficulties now confronting NRA are: labor troubles, lack of bankers' cooperation with those signing agreements to increase wages and employment, many of whom sorely need more credit; the check-up of Blue Eagle holders to see if they are living up to the spirit of their agreement; checking rise in prices so that they will not surpass the increase of purchasing power; and the attainment of full cooperation by consumers.

To settle strikes and lock-outs a National Arbitration Board has been formed. To deal with strikers and infringement of NRA codes and to promote the general interest of the campaign, state recovery boards have been created. To ease up credits now being squeezed by many commercial bankers, General Johnson is working with the Federal Reserve Board on plans to accomplish this result. To check prices, a chart is said to be in process which will enable consumers to tell whether they are being charged more than justified by increased cost of labor, material and taxes.

CONNECTICUT DEVELOPMENT. The New York District office of the Bureau of Foreign and Domestic Commerce received 19,300 signed agreements from Connecticut employers through Monday, August 24, or approximately 30% of those delivered before August 1.

On August 24, General Johnson approved substitute provisions for the Fabricated Metal Products code which was previously accepted by metal fabricating members of the Association employing 37,500, at a meeting in the Hotel Bond, Hartford, Tuesday, August 22. There are approximately 370 Connecticut manufacturers employing 108,000 persons, who are within the scope of the code by definition. However, through preference or delegation by NRA they may

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Uniform Accounting Problems of the Textile Industry

An Address Written and Delivered

By HENRY KNUST

C. P. A., and President Hartford Chapter N. A. C. A.

The Code of Fair Competition for the Wool Textile Industry is now virtually law to the wool industry. I assume you gentlemen are familiar with its various provisions. The National Association of Wool Manufacturers, headquarters New York City, is the designated agency to receive reports from the members of the industry and to transmit the substance of such reports to the President.

Section 6 of the Code, dealing with reports provides:

"Such reports shall be in such form, and shall be furnished at such intervals, as shall be prescribed by the association and shall contain such information relevant to the purposes of this code as shall be prescribed by the Association from time to time including information with respect to the following or related subjects:

1. Employment, hours, wages and wage rates.
2. Production, orders, billings and stocks (in process and finished) of products manufactured.
3. Financial and cost data.
4. Activity, purchases, sales and scrapping of machinery.
5. Consumption and stocks of raw materials."

Cost Not Defined in Code

It is not my purpose to discuss the entire Code; but rather to consider just one feature, namely, the requirement with respect to financial and cost data. You will note that there is but a broad general reference in the Code to the matter of costs. Very wisely, in my opinion, there has been no attempt to define what constitutes cost. This advisedly remains a matter for your National Trade Association, or designated committees to outline and define. Any attempt to include same in the immediate code would undoubtedly have delayed its filing and approval. The industries which have attempted to cover the matter in detail and thus obtain Government approval and endorsement on many moot points, are apt to find it a stumbling block: The administrator does not want to manage industry, but wants industry to manage itself. These remarks refer not only to the wool textile industry, but to other allied or similar trades as well.

ALTHOUGH Mr. Knust's address was prepared especially for and delivered to the Connecticut Woolen and Worsted Manufacturers' Association on August 10, it is presented here because much of the subject matter is also applicable to all other industrial divisions which are now interested in developing uniform cost accounting classifications under N R A codes. The woolen textile cost meeting was the fourth since July 18, sponsored by the Industrial Cost Accounting Committee of the Manufacturers' Association of Connecticut in cooperation with the Hartford, New Haven and Bridgeport Chapters, N. A. C. A.

Material and Labor Accounting

There will probably be general agreement that "cost" consists of materials, labor and overhead or burden. But beyond that point, there is soon a parting of the ways. To develop uniformity in use and understanding of terms, as well as uniformity of principles is the big problem to be solved.

In discussing cost matters in the textile industry it is considered that the item of cost of raw material going into the product is not a complex matter. The purchase costs or standard costs of each class of raw stock are known, and the combinations or formula for the mix are likewise a matter of record. It is very important for management purposes that records be kept and reports made on waste or shrinkage by various operations. The movement of stock is reported from department to department on regular forms, from the time it leaves the wool storage room, until it goes into finished stock or is shipped out. There is, however, one important feature to be considered. If raw materials are purchased about as they are to be needed or consumed, costs are likely to be in line with the current basis of sales quotations. But if the mill manager buys in large quantities of wool or cotton at what appears to be a favorable market, a speculative factor enters the picture. The executive who buys shrewdly is entitled to credit, but on the other hand if his guess on market trends or on his requirements is wrong, he must be ready to swallow the criticism which will follow. Too many wrong guesses



Henry Knust and John V. Montague

PRINCIPAL SPEAKER at cost meeting of the Connecticut Woolen and Worsted Manufacturers Association held in Hartford, August 10.

PRINCIPAL SPEAKER at joint cost meetings of manufacturers and accountants held in Farmington, July 18; New Haven, July 25 and Bridgeport, July 27. See page 2.

will be fatal. The recent performance of the commodity market has taxed the talents of executives in this matter. In view of the varying policies as to buying of raw materials it is essential that agreement be reached within the industry on a basic principle: whether (a) the actual cost should be used, (b) the market value at time of use, or (c) a basic or standard value based on periodical averages.

Labor costs are somewhat more involved but at that can be readily ascertained. A good part thereof is based upon operations: the poundage or yardage produced for a day or week as compared to the labor in the department for the given period. In other operations piece rates prevail. The total labor chargeable into costs is of course tied-in with the payroll account.

Overhead and Depreciation

One of the terms used most loosely is the word "overhead." When accountants use this term in connection with costs, it is intended to mean Factory Overhead Expenses—the indirect expenses incurred in the production end of the business. Many shop men and executives now use it in this sense; but it is surprising the number that use it in an all-inclusive sense whereby selling and administrative expense are included, and even profit. I don't think there should be any great difficulty in arriving at a common understanding once the subject is tackled.

While we are on this subject of plant overhead, perhaps it will be well to dwell on a few of the items which are most frequently the subject of controversy.

First, it seems strange that the item of depreciation should still be in the debatable column. There are plants in many industries that still adhere to the practice of holding the depreciation charge in abeyance and recording it on the basis of what the P. & L. account can stand. No sound cost system can function on this basis. It is absolutely necessary that the cost of the use of all pertinent facilities should be periodically recorded. I am inclined to the belief that original cost of acquisition, or the basis allowed for income tax purposes, is the proper basis for this purpose. It may help us to get a proper perspective on this subject if we view the outlay or disbursements for building, machinery and other plant facilities simply as deferred charges against future operations on a large scale, this charge to be recovered or amortized over the expected life of the facility or against the productive output thereof. If this view is accepted, we have made a long stride toward uniformity and it dispels the idea of using replacement values, a widely variable basis. I believe it will also dismiss any thought which may exist that interest on cost of plant should go into cost of product.

There is another angle to this subject which must not be overlooked. If a manufacturer has excess plant facilities, or property holdings, the entire carrying charges thereof such as depreciation, insurance, taxes, can not properly be charged against the cost of current production. Quotations based on current production, and likewise, the compiled cost thereof, should include only direct and indirect charges which can be

allocated thereto. The proper treatment of costs over and above this basis must be otherwise disposed of—preferably under the heading of "Other Deductions—Unabsorbed Charges."

The items which appear most frequently in the Overhead Expense Division include rent or equivalent, power, superintendence, indirect labor, repairs and maintenance, shop and departmental supplies.

In some textile plants which operate dyehouses, it has been the practice to charge dye materials and expenses to overhead. I believe, however, that the trend has been away from this method, and to regard such costs as direct material costs. Items such as these simply must receive uniform accounting treatment if we are going to get anywhere under NRA.

Classifying Labor and Material Items

It is essential for proper cost accounting that overhead be properly analyzed and broken down. This should be done not only for NRA purposes but for ordinary managerial purposes. It is in this way that accounting can be increasingly an aid to management.

All indirect operating expenses should be classified by departments or cost centers. This involves the preparation of an adequate Chart of Accounts. The old method of classifying labor as direct and indirect; or of charging repairs or supplies, etc., in one lump account, has no place in present day accounting. The extent to which the classifications should be made must necessarily be adapted to the size of the plants and the range of their operations.

The question will undoubtedly arise as to the proper type of cost system which should be used in the textile industry. The answer to this question must necessarily depend upon a fairly intimate survey of the concerns involved and the types of operations performed. From the nature of its activities, and the demonstrated adaptability of its features, it appears that the plan known as "Standard Costs" would be the logical or desirable plan.

Standard Costs

The accounting system known as "Standard Costs" is based upon the establishment, after careful production and engineering studies, of standards of the amount of material and time which should be required to produce a given product under normal conditions, together with the normal overhead expense which should be applicable thereto. Against such information, the actual incurred costs are shown, thereby disclosing variations. All substantial variations are analyzed and reported to the management. Such records disclose efficiency or inefficiency, fluctuations in material costs,

labor rates, or overhead expenses or abnormal conditions. This furnishes the executive with something to concentrate on, and saves his time poring over volumes of production records which are running through smoothly. In brief, standard costs furnish a measuring stick of performance.

This method or plan affords a very satisfactory means of disposing of the problems previously referred to, of charging product only with its proper share of overhead, leaving any excess in the Unabsorbed Overhead account (P. & L.); and likewise the cost of materials at a basic price, thereby segregating the speculative factor in raw material costs.

The chief thing to be considered is that costs be ascertainable in a sound manner, both by operations and by products. One of the greatest weaknesses in past cost practices has been that through lack of analysis, profitable products and fabrics have carried along the unprofitable lines. I realize of course, that in some instances it is necessary to sustain losses on certain lines, but the management should at least know what such losses are, so that they can intelligently determine whether the benefits derived in other directions are worth the cost.

Modernization of Accounting Necessary

There is one point that I wish to strongly emphasize. If cost figures and records are to be given any credence or respect they must tie-in and dovetail with the general financial books of the concern. There is no other satisfactory way, or assurance that the cost records contain all the costs. There are many concerns that have the semblance of cost systems, which don't amount to much more than estimating or compilation of statistics, with absolutely no control or proof; others consist largely of historical tradition. The seriousness of this situation should be apparent when it is pointed out that the information obtained from this source is used in making quotations, for taking on business, for valuation of inventories, thus directly bearing upon the Profits & Loss and its resultant income taxes; all very serious and responsible functions.

The suggestions submitted here are not novel: the progressive plants and accountants have been studying these problems in recent years and have made some headway. Traditional methods which have been in use literally from generation to generation in some of the pioneer plants in this state must be modernized.

It is being advocated that "selling below cost" shall be deemed an unfair trade practice, except in specially approved instances. This has caused much speculation as to whether average costs or the individual manu-

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INDUSTRIAL BRIEFS

Sargent & Company Shortens Working Hours and Increases Pay

Sargent & Company, manufacturers of hardware, New Haven, Connecticut, has recently announced a wage increase of 11% on all factory hourly and piece work rates and at the same time announced wage adjustments for all clerical workers on approximately the same basis. The new pay schedule became effective on Monday, August 7.

The company is also conforming as rapidly as possible to the 40-hour maximum week and has already increased the number of its employees by 10%. Company officials have adopted the wage and employment increases to follow out the spirit of NIRA, pending approval of the Lock and Builders Hardware Manufacturing Industry Code and have so advised General Johnson, NRA Administrator, of their action.

Standard Safety Razor Goes on 40-Hour Week

The Standard Safety Razor Corporation, located in East Norwalk, has announced through its president, Charles A. Jardine, an equitable adjustment in rates of pay, the minimum increase being 10%. This increase applies to all employees who were employed prior to July 15, 1933, and was effective August 10.

It is reported that the East Norwalk plant is working two shifts and has increased its factory personnel substantially in order to maintain production on a 40-hour week basis.

Maine Concern Now Operating Central Village Mill

The Wyandotte Worsted Company of Waterville, Maine, has recently taken over the operation of the Farnsworth Mill, Central Village, Connecticut, which has been idle since 1925. The company now operates six mills making worsted goods.

Bridgeport Textile Plant Announces Large Pay Increases

The Saltex Looms, Bridgeport, Connecticut, increased wages of its employees 25%, effective during the last week of July. The firm, which now employs about 600 persons, also reduced its hours from a 54-hour week to a 40-hour one in accordance with the textile code.

Remington Plant Boosts Wages

The Middletown Division of Remington Rand, Inc., which operates the Remington Noiseless Typewriter plant in Middletown, Connecticut, announced wage increases of 15%, effective August 1. The increase affects 900 employees, including practically all on both factory and office payrolls. The plant officials stated that they were acting in accordance with instructions from headquarters of the company at Buffalo, New York, and that the company was complying with the President's reemployment agreement until the Office Machine Code has been accepted by NRA.

Under present arrangements the company has established a minimum wage rate of 35¢ an hour for female workers and 40¢ an hour for male employees, based on a 40-hour week.

Upwards of 600 employees of the company were recently addressed by representatives of the American Federation of Labor and were said to have voted by acclamation to join the Federation. Committees of two employees from each department were reported to have been named for the purpose of securing the names of those to be enrolled.

Scovill Manufacturing Company Signs PRA

The Scovill Manufacturing Company of Waterbury, became the first of the three large brass companies to earn the right to the Blue Eagle of the

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NRA, when it signed the President's agreement on August 9, substituting the labor provisions of the proposed brass code for those contained in the PRA agreement as authorized by NRA on August 8. Despite the fact that the Scovill Manufacturing Company is working under the labor provisions of the brass code calling for minimums of 35¢ and 30¢ an hour for men and women, respectively, the company is continuing to pay 40¢ an hour as a minimum for men and 35¢ for women. It has also been reported that the company has boosted the majority of its wages and salaries to figures very closely approaching the 1929 level.

Ansonia Plants Adopt 35 and 40 Hour Week

Complying with the spirit of NRA to increase purchasing power and employment, the Farrel-Birmingham Foundry Company of Ansonia adopted a 35-hour week schedule which became effective August 7 with a wage increase of 14½%. Previously, on July 10, the company had adopted a 40-hour week with a 10% increase in wages. The plant normally employs between 900 and 1000 persons.

The Ansonia Manufacturing Company, also of Ansonia, Connecticut, effected a 40-hour week and an approximate increase in wages of 25%, beginning August 1.

Veeder-Root Shows Small Profit—Increases Pay

The Veeder-Root, Incorporated, with plants in Hartford and Bristol, Connecticut, showed an operating profit of \$12,644 for the period from December 31, 1932, to June 15, 1933, according to a recent statement by Graham Anthony, president of the company. The company also realized an addition to its surplus of \$29,830 through appreciation of securities held in its portfolio. Through the combined increase in value of the company's marketable securities and the net operating profit over the past six months, all losses for the entire year of 1932 were erased with a substantial margin left over.

In his letter to stockholders regarding operations for the past six months, Mr. Anthony also stated that there was every indication that operations for the balance of 1933 would be substantially increased because of the greater demand for the company's line of standard products.

As if to share its good fortune, the company increased wages and salaries of its 350 employees of both plants on August 1 by 10%.

New England Business at High Levels



Dun and Bradstreet, Inc., reported in its trade review of August 10, that all, with exception of a few minor line of business, in New England, were as a whole either maintaining a high level or registering slight improvement over last year.

Three Waterbury Companies Move to Adjust Employees' Debt Tangles

Believing that the attachment of the pay of workmen who have just started to work after a long lay-off or who have been on small pay for a long time, has come to be a "racket" causing much hardship on account of the additional burden of sheriffs' and lawyers' fees, the management of the Scovill Manufacturing Company, the American Brass Company and the Chase Companies, are understood to be taking steps to stop such practices. It is thought that the general plan being formulated by these companies to save their employees from paying the added fee involved in attachment proceedings, contemplates advising all creditors to notify the companies of the debt instead of filing an attachment, so that the factory can arrange with the employee for a schedule of payment to be deducted in small weekly sums from wages or salaries.

Royal Typewriter Company Effects Its Industry Code

Early in August the Royal Typewriter Company of Hartford, Connecticut, placed in effect the proposed typewriter code prior to its approval by NRA. The plant is now operating under a schedule of 8 hours

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a day, five days a week, with adjusted pay in accordance with the proposed code. According to Charles B. Cook, vice-president of the company, more than 200 additional employes have been added since the inauguration of the shorter work week.

Already, since the first of the year, hours have increased to the extent of adding more than \$400,000 to the payroll, not to mention the additional contribution to the purchasing power of Hartford and vicinity which Royal will make to the extent of \$650,000 if production continues at the present rate for the remainder of the year.

Metal Trade Increase in Business Reported on Sound Basis

The investigation included manufacturers of machinery, hardware, oil burners, engines, vacuum cleaners, automobile accessories, motors and scores of other metal products.

10,000 Danbury Workers Reported Under PRA

It has been reported that approximately 10,000 workers in Danbury hat factories and affiliated industries started to work on August 1 and August 3 under the temporary provisions of the President's Reemployment Agreement until such time as the code for the hat industry has been accepted by NRA. The Frank H. Lee Hat Company, employing approximately 4,000 persons; the Mallory Hat Company and its subsidiary, the Emerson Hat Company, employing about



MODEL V

Two models of the TRUST-T Cash Vault produced by The Goss & DeLeeuw Machine Co., New Britain, Connecticut. Anchor plates are furnished with both models, while double or single door equipment is optional.



MODEL H

In order to determine the facts concerning reported speculative buying in the iron and steel industry, the magazine, "Iron Age," made a survey and received confidential figures from 243 typical companies, which demonstrate that 87% of those reporting are increasing production only to the degree of increase in actual orders, with a reasonable allowance for a slight replenishment of depleted stocks. The survey further revealed that manufacturers are now buying seven and one-half weeks ahead of demand whereas prior to May 1, they were buying approximately four and one-third weeks in advance. The survey stated that the advance represents an approach to normal practice in buying rather than speculative buying. Answering the question as to whether dealers of their products are increasing stocks materially, 16% of those answering the questionnaire stated "yes" while 84% replied in the negative.

3,000 persons were the concerns specifically mentioned as effecting the provisions of the agreement. About 35 concerns in addition will eventually be affected either through signing PRA or through the mandatory ruling of the code for the hat industry.

Shelton Plant Operates on New Schedule

The Sidney Blumenthal Company, textile manufacturers, of Shelton, Connecticut, effected a 40-hour working schedule on July 24. The weaving department will be limited to two 40-hour shifts while the other production departments will run on three 40-hour shifts wherever necessary. The company has since worked out a schedule of hourly and piece work rates which allow for a 25% increase.

Norwalk Plants Increase Pay—Shorten Hours

On Monday, July 31, the following Norwalk factories, with the number of employes in parentheses,

started a new schedule of shorter working hours and more pay: Norwalk Tire & Rubber Company (800); American Hat Company (350); Corsetry, Inc. (300); and Manhattan Shirt Company (265).

Although the Norwalk Tire & Rubber Company has not signed the PRA, pending arbitration in the rubber industry code, it is understood that the plant is now operating on a 35-hour week schedule as called for in this agreement, and that factory workers' pay has been increased by 12½% and salaried employees by 10%.

Scovill Employment Director Heads State Public Works Reemployment Drive

Miss Millicent Pond, employment director of the Scovill Manufacturing Company of Waterbury since 1928, has been recently named state director of reemployment in the drive of the public works administration and the Labor Department to have employment on road and public works construction distributed on an equitable basis among qualified workers who are not unemployed. The present appointment calls for a three months' term in office.

Miss Pond is working in conjunction with the Connecticut state relief director, and with him will appoint in each county, wherever a sufficiently large project warrants, a county reemployment committee of prominent citizens representing employers, labor, relief agencies, and county engineer. These committees will be expected to engage suitable quarters, equipment and staff for a local employment office with funds to be furnished by the Federal Government.

Under the plan, each applicant for a highway or public works job will be personally interviewed and his application, recording pertinent data as to his ability, checked to determine his eligibility for the work required.

Bigelow-Sanford Again Increases Wages

The Bigelow-Sanford Carpet Company with mills in Thompsonville, Connecticut, and Amsterdam, New York, announced on July 27, a 20% increase in hourly

wages effective Monday, July 31, in addition to the 5% increase which was made effective on July 17. At the same time the 6,000 employees in both plants were placed on the 40-hour basis with a minimum wage of \$14 a week.

Electric Boat Company to Increase Employment

The Electric Boat Company of Groton, Connecticut, which was recently awarded a government contract for two submarine hulls to cost \$2,770,000 each, is expected to double or triple its employment when the work on the new boats reaches the present stage of the submarine now being built. At the present time between 600 and 650 men are working on the submarine hull now under construction.

According to L. Y. Spear, president of the company, workmen, only 10% of them being unskilled, will be recruited as needed from this district, which includes much of Connecticut and part of Rhode Island. Most of the materials, including steel for the hulls, have already been ordered.

The working schedule for the yardmen will be 32 hours each week and wage scales for skilled and semi-skilled employees, it is understood, will be increased by 20 to 30 cents an hour or far in excess of the minimum. Since the company had risked the preparation of plans and material schedules for the submarines prior to the actual receipt of the contract, the time normally required to get the actual work under way will be cut in half.

Hartford Company to Erect New Building

G. F. Heublein, Inc., manufacturer of A-1 Sauce, with offices at 53 High Street, Hartford, plans to construct a two-story building and basement on Main Street near Pearl. The building will be 24 by 100 feet, of mill construction with brick exterior walls and a modernistic front design using black Carrara glass. Plans for the building were prepared by Carl J. Malmfeldt and the Allyn Wadhams Company has been awarded the contract to erect it.



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Stanley Works Boost Pay

More than 1,000 employes of the Stanley Works, New Britain and Bridgeport, Connecticut, are said to be benefiting from a pay increase of 15% coincident with the adoption of a 40-hour week schedule during the first week of August. The 40-hour schedule in the New Britain office became effective August 1, and readjustments of working hours downward to 40 are being made as rapidly as possible in the factory in conformity with the NRA.

Waterbury Concerns to Benefit from Government Naval Program

The construction of 37 new warships, estimated to cost \$300,000,000 is expected to mean increased business, directly and indirectly, for a number of Waterbury plants.

Those who may benefit directly are the Waterbury Tool Company, makers of variable speed gears which are now used in every United States naval vessel as well as in vessels of other navies to operate the steering apparatus, winches and derricks in the gun-aiming mechanism; the Bristol Company, makers of scientific control and recording instruments; The Waterbury Clock Company, makers of chronometers; The Waterbury Battery Company, which supplied batteries to Admiral Byrd in his trip to the South Pole; and the Waterbury Farrel Foundry and Machine Company, manufacturers of machinery used in naval craft and also the anchorage apparatus for aircraft.

The American Brass Company, Scovill Manufacturing Company and Chase Companies may also share directly in the receipt of orders for condenser tubes, but more likely their principal business will be received through orders for brass sheets, tubes and wires to be fabricated by other concerns into specific articles for supplying the various shipyards constructing the vessels.

New Departure Increases Pay

On August 1, all hourly rates and salaries of \$1800 or less were increased 10% by the New Departure Manufacturing Company, with plants in Bristol and Meriden. This increase is in addition to the one effected June 12 of 5%, and is said to substantially restore wage rates to the pre-depression era.

The increase affects 3750 employes in both plants 2000 of whom have been re-employed since April 1.

40-Hour Week Adopted by Plant in Milldale

The Clark Brothers' Bolt Company, manufacturers of bolts and nuts, of Milldale, effected a 40-hour, five-day week schedule during the week of August 6, and at the same time advanced its pay schedule in conformity with the President's request. This action af-

fected the wages and hours of 125 now employed and will doubtless lead to additional employment with the slightest increase in activity.

Other Plants Change Schedule of Hours and Wages

The American Brass Company plant in Ansonia, Connecticut, has recently taken back 300 former employes and stepped up 500 part-time workers to a full 35-40 hour week.

The Waterbury Clock Co., Waterbury, which some weeks ago announced a wage increase of 5%, has again increased its wage scale another 10%, with more than 2,200 employes affected. The company, it is said, will operate under the clock manufacturers' code when approved.

The Seth Thomas Clock Company, Thomaston, has increased its piece work and hourly wage scales by 10%.

The Napier Company, Meriden, manufacturers of silver-plated novelties and jewelry, effected a wage and salary increase of 15% in addition to the previous increase of 10% which became effective on July 17. It is also reported that the company has doubled its working force and cut the weekly schedule to 40 hours.

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Departmental News

Accounting Hints for Management

Contributed by Hartford Chapter N. A. C. A.

FIRST STEPS TOWARD UNIFORM COST ACCOUNTING PRACTICES. Elsewhere in this issue, there is reproduced the substance of an address to one of Connecticut's prominent industries on an outline of the problems confronting it in uniform accounting. It is considered that many other industries in this state are faced with similar problems, and the discourse thereon merits careful reading.

It is apparent that very few of the approved NIRA codes will contain specific provisions or regulations with respect to accounting, although accounting records are destined to become a major tool in enforcement matters. At the present time trade associations might well be taking the first essential steps toward the establishment of uniform cost accounting practices, viz.:

(a) Initiate surveys of the prevailing accounting methods and practices existing in the industry at the present time as a basis of ascertaining the range of problems and complications; and

(b) Develop a common terminology for the industry, so that all concerned therein may be speaking a common language.

Not only should the designated National Supervising Agency work along these lines, but the smaller groups or units, by states or section, should proceed likewise.

COST ACCOUNTING PROGRAM. The Cost Accounting Committee of the Manufacturers' Association favors the type of program which the Hartford Chapter N. A. C. A. has prepared for its 1933-34 season. The interests of the two organizations in the study of industrial accounting problems are mutual. The program is as follows:

September 19, "Progress and Trends in Uniform Accounting Under the Industrial Recovery Act," Col. Arthur H. Carter, senior partner of Haskins & Sells and president of the National Association of Cost Accountants.

October 17, "Standard and Actual Cost Systems and Their Application," W. F. Burke, chief accountant, Scovill Manufacturing Company.

November 21, "Overhead Distribution and Application," Joe Simmons, C. P. A., Arrow-Hart & Hegeman Company.

December 19, "Inventory and Material Control," Leon Vannais, C. P. A.

January 18, "The Economic Outlook for 1934," Professor Haney, New York University.

February 20, "Today's Managements' Problems," John Carmody, Stevenson Harrison & Jordan; formerly editor of Factory Management.

April 17, "Accounting for Selling and Distribution Costs," F. H. Figsby, Ernst & Ernst.

May 15, "Forum on Debatable Cost Problems." In charge of E. S. Lancaster, Treasurer, American Paper Goods Company.

Plans for special plant visitations are also being made, but these must be restricted to Chapter members; all other meetings will be open to the interested public.

Transportation

MOTOR VEHICLE BULLETIN VERIFIES SIGNAL RULES. A bulletin recently issued by the state department of motor vehicles makes the following declaration pertaining to the necessity of installing signalling devices before September 1. The bulletin states:

"If the hand signal made by the operator from his normal position is not clearly visible and understandable to the driver of a vehicle approximately twenty-five feet in the rear, then such vehicle must be equipped with a mechanical signalling device."

The bulletin further states that signals indicating a change of direction have been a part of the motor vehicle code for several years and that the new law was written to bring within its scope vehicles whose construction or loadings were such that hand signals could not be seen by vehicles approaching in the rear.

In the Association's Traffic Bulletin No. 395, dated August 17, 1933, the necessity for installing signalling devices, approved by the Commissioner of Motor Vehicles, before September 1, was clearly pointed out. This bulletin also stated that a list of these approved devices is on file at the Association's office and will be forwarded to any member desiring it.

I. C. C. ISSUES CONFLICTING REPORTS IN TWO CASES. Paradoxical as it may seem, that august body, the Interstate Commerce Commission, has contradicted itself in findings made in its recent decision in the bituminous coal cases as opposed to the one made in the Eastern Class Rate case.

In the Eastern Class Rate Case, the Chesapeake & Ohio Railway and the Norfolk and Western Railway, proved to the satisfaction of the Commission that their operations were exceptionally expensive, and on that basis, received authority to establish class rates higher than the normal scale applicable to and from stations in the northern coal producing regions. In its recent decision in the bituminous coal cases, the Commission found from the evidence submitted that the Pocahontas Lines (include the Chesapeake & Ohio and the Norfolk and Western) are lower cost lines.

The Commission's conclusions in each instance were, of course, based upon the evidence submitted. However, it is hoped that at some future date a good attorney or other practitioner may present this matter formally before the Commission and insist that carrier evidence showing jet black in one instance cannot, like the chameleon, change its colors to show pure white in another.

ADVISORY BOARD TO MEET IN SEPTEMBER. The New England Shippers Advisory Board is scheduled to meet at the Hotel Kimball, Springfield, Massachusetts, on September 29. The Springfield Traffic Club will stage a banquet on the evening of September 28 and will hold an outing in the afternoon of September 29 in connection with this meeting.

BASIC RATES INCREASED TO REPLACE SURCHARGES. A number of the railroads throughout the country have decided that where they reduced the basic rate during the period of surcharges ending September 31, they will increase the basic rate by the amount of the surcharges, effective October 1. A few of the railroads have already filed tariffs while many others have found, on account of tariff publication rules, that it is necessary to file sixth section applications to enable them to file such tariffs.

The railroads are determined that the basic rate after the dropping of the surcharge shall not be less than the former rate plus the surcharge as, in their opinion, these rates were never intended to be dropped lower than the total of the present rate plus the surcharge.

A tariff filed by the Akron, Canton & Youngstown, supplement No. 24 to its I. C. C. No. 328, effective October 1, illustrates publications not needing sixth section permission. Sixth section applications filed by E. B. Boyd, Nos. 5352, 5348 and 5366, ask that the Commission permit the filing of supplements to accomplish the purpose for which the A. C. & Y. tariffs were filed notwithstanding the limitations of tariff publishing rules. The justification offered in the

Boyd applications is that the eastern lines serving the north Atlantic ports intend to file tariffs to prevent reductions in present rates on commodities, the basic rates on which were reduced after the imposition of the surcharges.

I. C. C. REFUSES COAL RATE CUT. In a major rate decision on August 11, the Interstate Commerce Commission voted six to four against the reduction of charges on bituminous coal moving from Pennsylvania, Maryland and northern West Virginia mines to eastern trunk line and New England territories. The decision followed that of August 5, when the Commission refused to grant a blanket reduction in all freight rates, giving as the reason in both cases that the roads were not in a financial position to stand it.

In a second phase of the ruling, the Commission upheld existing rates on bituminous coal from the same mines to New York, Philadelphia and Baltimore for export in foreign and coastwise trade, and dismissed complaints against these and interstate track-delivery rates filed by shippers in the northern fields. Under a third phase of the ruling, railroads were permitted to continue, and in some instances to expand, existing arrangements whereby charges for long hauls to New England may be lower than those to intermediate points. This was permitted so that the northern fields would have a better chance to compete with coal moving by water through Hampton Roads.

DEATH OF ELISHA LEE. Elisha Lee, senior vice-president of the Pennsylvania Railroad, and well known by hundreds of railroad executives, manufacturers and traffic men throughout New England, collapsed on the night of August 6, after alighting from an Albany train and died a few minutes later. He was sixty-two years old.

Mr. Lee and his friends had passed the weekend at Saratoga Springs and were returning to Philadelphia after boarding a New York Central train at Albany. The party had alighted at a small emergency station at 96th Street, intending to go to the Pennsylvania Station to board a train for Philadelphia when, on crossing the track, Mr. Lee suddenly became ill and collapsed, despite the efforts of his friend, Dr. Max F. Herman to revive him.

Like the late beloved Edward Jones Pearson of the New Haven Road as well as many other leading rail executives, Mr. Lee had started his railroad career as a rodman, in the Tyronne division of the Pennsylvania Railroad, immediately after his graduation in 1892. Through successive promotions to assistant supervisor, supervisor and engineer in charge of main-

tenance, superintendent of the New York, Philadelphia and Norfolk, assistant to the general manager of the Pennsylvania lines east of Pittsburgh, general manager and federal manager of the Pennsylvania's eastern lines under the United States Railroad administration, he was made vice-president in charge of operations from 1924 to 1926, after which he became senior vice-president.

Mr. Lee had contributed several articles on traffic subjects to *Connecticut Industry* during the nearly eleven years of its publication. His death is deeply regretted by C. L. Eyanson of the Association who had known him intimately for the past twelve years, and also by many traffic men and executives in this section who had become acquainted with him during his many speaking engagements at traffic club meetings.

Foreign Trade

FOREIGN CREDIT INSURANCE NOW AVAILABLE TO EXPORTERS. Arrangements have just been completed whereby American exporters may now protect their accounts receivable from debtors in overseas markets by means of export credit insurance. Adequate reinsurance has been arranged for the Export Credit Indemnity Exchange with highly responsible and well known reinsurance institutions.

The Export Credit Indemnity Exchange has been organized at Chicago for this purpose. Under the terms of its policy, approved accounts will be covered for 75% of their invoice value. Premium rates will be graded according to the credit status of the foreign debtor, the prevailing economic conditions in the debtor's market, and the terms of sale granted by the exporter.

All necessary credit rating services in connection with the operation of this plan will be rendered by American Foreign Credit Underwriters Corporation of 381 Fourth Avenue, New York City, and Chicago, which organization has for the past thirteen years operated a clearing house for assembling and classifying the credit data and ledger experience of the American exporters with respect to their foreign customers.

This latter organization also furnishes an export sales development and general export advisory service to manufacturers and merchants both in the United States and Canada.

CHAIRMAN BRYAN SEEKS ANSWERS TO QUESTIONS AS BASIS OF RECOMMENDATIONS TO STATE DEPARTMENT. With definite possibilities now in sight for reciprocal trade agreements with Argentina, Chile, Colombia, Brazil,

Cuba and Mexico, at the Pan-American Trade Conference in Montevideo, Uruguay, in December, James E. Bryan, of East Haddam, chairman of the foreign trade committee of the Manufacturers' Association of Connecticut, announced on August 21 the plans of his committee representing the export interests of the state to cooperate with 45 export organizations throughout the country in preparing recommendations to the State Department on practical means of increasing inter-American trade.

In a message to Connecticut exporters, Mr. Bryan urged prompt replies to the three primary questions on which the study and recommendations are to be based, asking, first, what tariff concessions have been shown by business experience to be desirable from Latin America; second, what bargaining concessions can be made by the United States in return; and third, whether negotiations should include quotas or seasonal tariffs, and whether they should proceed on an unconditional most-favored-nation basis, or one that shall be modified by a regional arrangement for Latin America.

The approaching Pan-American Conference, according to Mr. Bryan, represents the renewed effort of foreign traders of North and South America to cement trade relationships in the western hemisphere, following the lack of definite accomplishment in the way of commercial treaties on a world-wide basis at the recent London Economic Conference.

FRANCE LOWERS TARIFF ON U. S. GOODS. The higher tariffs recently announced for a number of classes of American goods imported into France were rescinded August 10 by a decree published in the "Journal Officiel." Louis Serre, French Minister of Commerce, restored the minimum tariff rate for all American goods which had enjoyed it before July 14, on which date, according to a special law, the general rate was substituted.

Imports from the United States which previously were subject to the intermediate tariff and recently came under the general rate return now to the former status, except where the new minimum rate is higher, in which case the latter applies. The general rate now applies only for the few classes of goods to which it previously applied.

Books and Pamphlets

ARCHITECTURAL FORUM ISSUES OUTLINE OF PUBLIC WORKS PROGRAM. "The Public Works Program and its Relation to the Building Industry," a recent copyrighted pamphlet published by the Architectural Forum, 220 East 42nd Street, New York, tells the story of how the Builder-

in-Chief, Franklin D. Roosevelt, has organized for the spending of \$3,300,000,000 of Uncle Sam's commodity dollars for various engineering projects throughout the country for the purpose of relieving unemployment quickly. This terse and graphic story spreads its valuable cargo of facts over 18 pages of easy reading, even for the executive whose nerves are frayed and jumpy after nearly four years of overwork, small rewards and two months of decoding codes. The foreword frankly states that the pamphlet ". . . is an attempt to turn the microscope on the things which have happened in Washington to date and to fill in future events by considered crystal gazing."

The first page describes briefly the "Washington Scene" of the public works program. The next two pages show illustrated sketches of the men responsible for carrying out the program. Other matters of vital importance to the manufacturer, architect and builder who desire to secure some of the available business, are discussed under the headings of "Scope," "Organization," "Jobs for Architects," "Jobs for Manufacturers," "The 10 Regional Advisors," "The 48-State Boards," and "Answers to Frequently Asked Questions." Two charts are also included showing the organization of the public works administration and federal departments.

The price of the pamphlet is 25¢ and well worth it to those individuals or organizations who seek to obtain government work available in the present public works program.

UNIFORM ACCOUNTING

Continued from page 6

facturers' costs were contemplated. Definite ruling has not yet been made but it would seem that the actual costs of each concern would have to be the basis.

The discussion has been devoted chiefly to general features involved in uniform cost accounting principles and problems with respect to the textile industry. A discussion of the minute problems and solution of intricacies would necessarily have to be based upon an intimate survey. Very little reference has been made to the accounting mechanics ordinarily used or desirable, such as proper subsidiary factory ledger and analyses, stock records, etc.

While the code for the woolen textile industry has national application and supervision, I believe it is very desirable that sub-groups such as this organization should work together both for mutual front and organized protection against other groups, and for better acquaintance and understanding. This would undoubtedly make for healthier competition, and after all I don't think any Connecticut concern is afraid

of fair and decent competition. I believe it would promote the interests of the Connecticut group if your own Association had a Committee for Code Enforcement, to follow up and study uniform cost matters, and make recommendations from time to time.

Whether you wish it or not, you have got to fall in line under NIRA. But falling in line with Codes—uniform accounting practices—should not be looked at solely as a compulsory regulation by the Government. We must come to the realization that we are in a period of transition, and are entering a new era which has been described as one of regulated industrial democracy. There are tremendous possibilities of discovering and correcting weaknesses in existing practices, which will disclose whether various lines or styles are profitable or otherwise—ascertaining costs on new lines and thereby opening up new fields of business. There is also the satisfaction of knowing that your competitors must play the game squarely or otherwise the delinquent will be eliminated. I will not attempt to enumerate all the angles of unfair practices in the textile industry—you know them better than I do. In enumerating unfair practices in one Code which I had occasion to review, the number thereof more than exhausted the alphabet.

By meeting the situation in the proper spirit, by cooperating and endeavoring to understand the philosophy underlying the Act, I believe we will find it possible to operate without undue hardship, and eventually for the good of all industry.

NIRA NOTES

Continued from page 3

be placed under a divisional code now submitted or being formulated.

It is estimated that approximately 7,000 concerns in the United States employing around 1,000,000 persons may work under this code to be administered after acceptance by the Fabricated Metal Products Federation, which came into being as the result of a meeting of individual metal manufacturers and trade association executives in Washington on August 10. Connecticut officers and directors of this new Federation with offices at 729 Fifteenth Street, N. W., Washington, D. C., are: Harry S. Kimball, former Bridgeport industrialist, secretary-treasurer; W. M. Goss, secretary of Scovill Manufacturing Company, Waterbury, vice-chairman; A. E. Payson, president of the American Thermos Bottle Company, Norwich, director; H. R. Naylor, general manager of the H. A. Matthews Manufacturing Company, Seymour, director; R. E. Pritchard, vice-president of Stanley Works, New Britain, director.

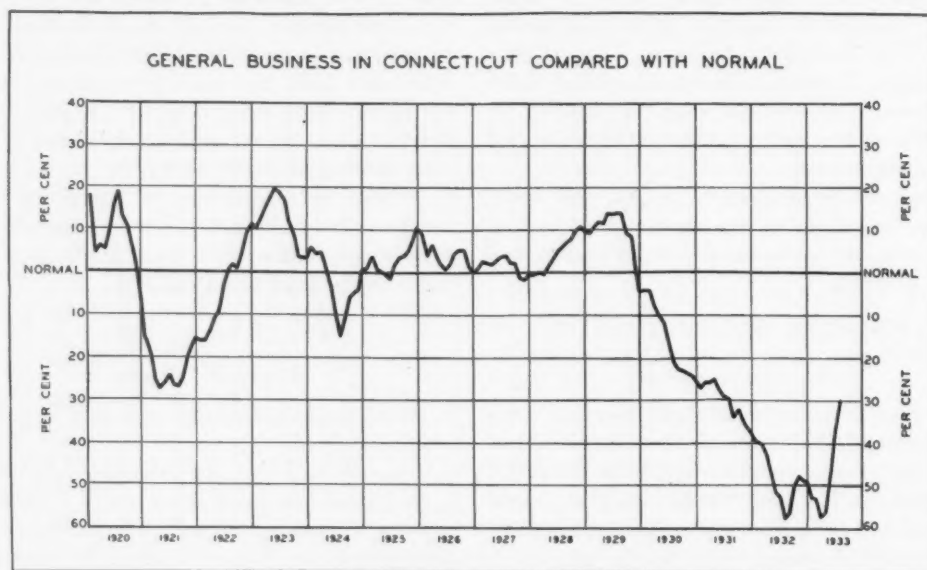
HOW'S BUSINESS

H. R. MICK

General Summary

During July, general business experienced a further substantial increase in activity. The Connecticut index of general business rose approximately seven points over the preceding month and stood at 30% below normal, the best level in two years and well above the depression low of -57% reached in March. Expansion in manufacturing activity, with the exception of the textile industry, was widespread and data cov-

General business activity in the United States also advanced during July but at a slower pace than in the months immediately preceding. Steel ingot production increased sharply and was at a rate four times that of March. Unfilled orders of the United States Steel Corporation declined somewhat more than seasonally and production in August tapered off due in part to the strike in the bituminous coal fields which resulted in some curtailment in the fuel supply. Auto-



ering man-hours and employment were interpreted as considerably encouraging. The number of man-hours worked rose sharply contrary to the usual seasonal movement and employment increased at a highly satisfactory rate. The increase in freight car-loadings originating in Connecticut cities bore further evidence of the progress that was being made. Cotton mill activity remained close to the level of the preceding month which was well above the estimated normal. Bank debits to individual accounts increased moderately compared with June. Data for the first half of August indicated that the rapid upward surge in the business cycle had given place to slight reactionary tendencies.

mobile production in July declined slightly from June but was the highest for any July since 1929. Current reports indicate that consumer demand for automobiles has remained at a high level. New orders for machine tools have risen substantially in recent months and in July were higher than in the corresponding month a year earlier. The weekly business index of the New York Times continued to increase until the middle of July; during the ensuing four weeks a moderate downward trend was in evidence.

According to the weekly index of The Annalist, commodities at wholesale experienced varying price trends during the past several weeks. On July 11th

compared with four weeks earlier, farm products and foods declined 5% in price, building materials, metals and chemicals remained practically unchanged, fuel and lighting products advanced 7% and textile products 11%. Retail prices especially of foods and textile products increased materially during July and the first half of August.

Financial

The number of business failures in Connecticut during the four weeks ended August 12th declined 6% compared with the corresponding period a year ago; net liabilities of failures fell off 20%. New corporations formed and the authorized capital stock involved were also below last year. Real estate sales decreased but 8% under 1932 thereby narrowing further the spread between the two years.

Construction

Some further improvement in activity in the construction industry took place in Connecticut during July and August. The number of building permits issued continued to exceed last year while the estimated value of permits was about the same as a year ago. Early in August excavation was begun for a new group of dormitories for Yale University to cost in the neighborhood of \$2,000,000. At the same time, plans were nearing completion for an addition to the plant of the Armstrong Rubber Company in West Haven; the floor space of the addition is estimated at approximately 35,000 square feet.

The value of contracts awarded for new buildings in the United States during July declined 12% below June on a seasonally adjusted daily average basis. New residential building remained close to the June level but contracts for non-residential building decreased 20%. Compared with last year, residential building increased 20% whereas non-residential building declined 45%.

Labor and Industry

During July, manufacturing activity in Connecticut factories continued to increase sharply contrary to the usual seasonal trend. The number of man-hours worked in five cities stood at 35% below normal compared with 43% below in June and 57% below a year earlier. All cities from which reports were received showed substantial increases in activity over June. Compared with July, 1932, an increase of 76% in the number of man-hours worked took place in both Bristol and New Britain; Meriden reported an increase of approximately 60%, Bridgeport 52% and New Haven 20%. Employment in Waterbury brass factories again increased and was 34% above the April low point and 29% higher than a year ago. In Hart-

ford concerns, employment rose more sharply than during any previous month this year to a point slightly above July of last year. Wage advances were instituted by an increasingly larger number of concerns throughout the State.

Employment and payroll totals for July for factories in the United States again showed a marked gain contrary to the seasonal trend. Employment increased 7% over June and 22% over July, 1932, and total payroll 8% and 29%, respectively, in comparison with the same months. It is estimated that 1,100,000 employees have been added to the payrolls of manufacturing establishments throughout the country during the past four months.

Trade

Retail trade in the United States during July decreased somewhat less than seasonally compared with June and current reports indicate that a better showing is being made in August. The index of department store sales compiled by the Federal Reserve Board stood at 69 in July against 68 in June and 66 a year ago. Sales of a large mail order house during the four weeks ended August 13th increased 11% over the corresponding period a year ago compared with an increase of 1% over last year during the preceding four week period.

Transportation

July car-loadings of practically all commodities were substantially higher than a year earlier. Loadings of automobiles, building materials and merchandise in less-than-carload lots increased over June contrary to the usual experience in previous years and loadings of bituminous coal showed a gain of more than seasonal extent. During the first two weeks of August, freight car-loadings at fourteen Connecticut stations receded somewhat more than seasonally expected from July.

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— Service Section —

On account of space limitations, the material and used equipment items offered for sale by Association members have not been classified by sizes or usage best adapted. Full information will be given on receipt of inquiry. Listing service free to member concerns.

●●Materials for Sale

COLD rolled steel in coils and in squares, condulets and fittings, remnants of covering materials—velours, velvets, mohair, tapestries, denims, chintzes, and cretonnes, semi-finished and castellated U. S. S. nuts, pulleys, flat and crown face-steel and cast-iron; new shaft hangers, brass wire, brass rods, aluminum tubing, cold drawn steel—mostly hex; miscellaneous lot of material used in the manufacture of molded rubber parts and flooring, knife switches—new and many sizes; carload C. I. drop bases, No. 1025 steel in sizes 4' x 2' and 6' x 2'; lead pipe, lead sheet, acid proof pipe fittings, 124 bars screw stock varying thicknesses and lengths, white absorbent tissue process from cotton, rotary convertor, colors and dyes—large variety, lacquers—several hundred gallons in assorted colors; and soft anneal copper with high silver content in rolls. J. H. Williams wrenches in assorted sizes.

●●Equipment for Sale

ACCUMULATORS, annunciators, baskets, beaders, beamers, bearings, belt stretchers, blowers, boilers, braiders, bronze runners, cans, cards, woolen; car loaders, chain, chairs, chamfer, clocks, time recorders; clock systems, colors and dyes, compressors, condulets, convertors, conveyors, cookers, cooking utensils, doublers, draftsman's table, drop hammers, drops, board; drums, drying racks, dyes, engines, evaporators, extractors or percolators, fans, filtering carbon, folders, forming rolls, frames, furnaces, gears, generators, grinders, grindstones. Grinding wheels, guiders, headers, lamp shades, lathes, lifters, looms, De Laski circular; machines, automatic; machines, calculating; machines, compressing; machines, dieing; machines, drilling; machines, filing; machines, filling; machines, folding; machines, knitting; machines, mercerizing; machines, milling; machines, pipe-cutting and threading; machines, pleating down; machines, riveting; machines, screw; machines, threading; machines, tongue and groove; machines, washing; mercerizer equipment; millers, mixers, mills, mills rubber; mixing rolls, motors, oil circuits; oven drawers, paints and lacquers; panels, planers, plungers, pointers, presses, proflers, pulley drives, pumps, reamers, receivers, rheostats, safe cabinets, saws, scales, screens, seamers, shapers, shears, spindles, spinning mules, steam tables, steam warmers, stitcher, 192 monitor corner box switches, tables, tanks, toilet equipment, trucks, ash can; tube closers; wire, wire screw and yarders.

MAKE US AN OFFER: Deane Steam Pump $3\frac{1}{2}$ x 18", Horizontal Duplex Double Plunger Type, 50 R. P. M., 129 gallons per minute; Southwark 1,200 ton Hydraulic Forging Press 1,150 net tons capacity, 2,500 lbs. pressure, stroke 2' 6", diameter of ram 2' 11 $\frac{1}{2}$ ", space between uprights 3' 11 $\frac{1}{2}$ " x 2' 11 $\frac{1}{2}$ "; Dings Magnetic Separator, Type MB, Serial No. 1,696, with attached generator; 2—No. 3 James Ore Concentrator Company's Sand Tables, fitted with Simplex Vibrator Head and Tables 4' x 16'. Seymour Mfg. Co., Seymour, Conn.

●●For Sale or Rent

FOR SALE: One #183 Double End Automatic Facing, Chamfering and Burring Machine, Single Pulley drive, manufactured by Grant Manufacturing and Machine Co. of Bridgeport, Connecticut. Manufacturers' No. L-58. Address S. E. 64.

FOR SALE: 1 Burroughs-Moon-Hopkins Billing Machine No. 7202-795298 with stand. 1 Burroughs Inventory Machine No. 7200-1305531 with stand. 1 Burroughs Bookkeeping Machine No. 6-321849. 1 Lightning Coin Changer No.

Call or write for many other listings for sale, rent or lease in Connecticut. If our listings do not meet your requirements a thorough search will be made. Address Service Section, *Connecticut Industry*.

10306. All in good condition. Inquire Wilcox, Crittenden & Co., Inc., Middletown.

●●Wanted to Buy

WANTED TO BUY. Three used Manville No. 00 Single Stroke—Solid Die Ball Headers. Write giving details and price to S. E. 69.

●●Employment

COMMISSION REPRESENTATIVE AND BROKER with nineteen years residence and selling experience in Montreal with organization covering entire Dominion wishes to secure Canadian representation for Connecticut manufactured product. Temporarily located in Hartford; available for interview. Address P. W. 230.

SILK EXECUTIVE.. A former executive of a silk company allied with the hat industry who has had 20 years experience in the line during which he has served as treasurer of one company and president-treasurer of another, now seeks a connection, preferably outside of the silk industry, where his executive and sales ability may be utilized to the utmost. Address P. W. 231.

EX-NAVY MAN. A retired navy chief storekeeper who has served 16 years in the regular navy now desires job either as a paper cutter in a printing establishment or as a clerical man where his storekeeping experience would prove most valuable. Address P. W. 232.

TOOL-MAKER. A tool-maker who learned his trade in England and has since worked for several American companies now desires a position in his trade with a Connecticut concern. Address P. W. 233.

ASSISTANT TO BUSY EXECUTIVE. Seventeen years of experience with three Connecticut firms as follows: Hardware, 6 years as department foreman, production manager, factory manager; Automotive Webbing, 7 years as commission salesman, assistant division manager, Chicago branch manager; Electrical Specialty, 4 years as salesman, assistant sales manager, assistant general manager. Inherent qualities, training and experience indicate greatest usefulness in work mentioned above. Starting salary not an important consideration. Address P. W. 234.

CHEMIST, B.S., M.S. A man with four years' research experience, two years in the research laboratory of a world known engineering concern, would like to handle the chemical work of a progressive New England manufacturer preferably where there is an opportunity for development and research work worthy of his experience and ability. Publications and references or arrangement for interview by addressing P. W. 235.

RECENT COLLEGE GRADUATE. Aged 24 with B.S. degree in industrial engineering desires position with manufacturing concern at any liveable salary where opportunity exists to learn the business and work up to an executive position if merit warrants. Address P. W. 236.

ARGENTINE REPRESENTATION, PHOTOGRAPHIC AND OPTICAL GOODS. Mr. Arno Heilman, Rivadavia 956, Buenos Aires, Argentina, is interested in representing American manufacturers of photographic and motion picture supplies and accessories, and optical goods. For further particulars apply to the Argentine Chamber of Commerce, 12 Park Row, New York City.

ARGENTINE REPRESENTATION, RADIO AND ELECTRICAL APPLIANCES. Large Argentine distributor of radio sets and accessories is interested in making exclusive arrangements with an American manufacturer of radio tubes. Willing to contract for about 60,000 tubes yearly. Also interested in handling household electrical appliances for a manufacturer not yet represented in Argentina. High credit rating. Address replies to the Argentine Chamber of Commerce, 15 Park Row, New York City.

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